

**567—14.8(455B,455H) Signatories to the environmental covenant.**

**14.8(1) Agency.** The department will generally not be a “holder” as defined in 2005 Iowa Code Supplement section 455I.2(7) and will generally sign the environmental covenant as an “agency” as defined in 2005 Iowa Code Supplement section 455I.2(2), without taking an interest in the property as provided in 2005 Iowa Code Supplement section 455I.3(2). However, the department reserves the right to sign as a holder on a case-by-case basis when it determines that holding an interest in the property is beneficial to satisfying the regulatory objectives of the environmental covenant.

**14.8(2) Holders.** The fee title owner of the affected property is required to sign the environmental covenant in the capacity as a grantor and may be required to sign as a holder/grantee as provided in 2005 Iowa Code Supplement section 455I.2(7) if necessary to establish a valid instrument. A contract buyer holding equitable title is required to sign as a holder. When the grantor of the environmental covenant is not the owner of the source site subject to regulation, or is not the person or entity responsible for conducting corrective action at the source site, the department may require the owner of the source site, a person or entity that is the party responsible for corrective action or the person or entity that has conducted the corrective action at the source site to sign on to the environmental covenant as a holder. The department may require a participant in an enrolled site regulated under 567—Chapter 137 to sign the environmental covenant as a holder if the participant has an interest in ensuring compliance with the terms of the environmental covenant and particularly if the participant has responsibility for corrective action or has undertaken corrective action at the enrolled site.

**14.8(3) Subordinated interests.** As provided in 2005 Iowa Code Supplement section 455I.3, all equitable or other property interests affected by the environmental covenant must consent to and subordinate their interests to the environmental covenant either by signing it or by signing a separate subordination and consent agreement approved by the department. These interests include, but are not limited to, lessees, mortgagees and other consensual lienholders.